

## **MINUTES**

### **MONTANA SENATE 57th LEGISLATURE - REGULAR SESSION COMMITTEE ON EDUCATION AND CULTURAL RESOURCES**

**Call to Order:** By **CHAIRMAN BILL GLASER**, on March 12, 2001 at 3:17 P.M., in Room 405 Capitol.

#### **ROLL CALL**

**Members Present:**

Sen. Bill Glaser, Chairman (R)  
Sen. Jack Wells, Vice Chairman (R)  
Sen. John C. Bohlinger (R)  
Sen. Edward Butcher (R)  
Sen. John Cobb (R)  
Sen. Jon Ellingson (D)  
Sen. Jim Elliott (D)  
Sen. Alvin Ellis Jr. (R)  
Sen. Sam Kitzenberg (R)  
Sen. Don Ryan (D)  
Sen. Debbie Shea (D)  
Sen. Mike Sprague (R)  
Sen. Mignon Waterman (D)

**Members Excused:** Sen. Dale Berry (R)

**Members Absent:** None.

**Staff Present:** Linda Ashworth, Committee Secretary  
Eddy McClure, Legislative Branch

**Please Note:** These are summary minutes. Testimony and discussion are paraphrased and condensed.

**Committee Business Summary:**

Hearing: HB 164, 3/06/01; HB 353, 3/06/01, HB 488  
3/06/01; HB 505, 3/06/01  
Executive Action: HB 353, HB 164, HB 505, HB 140

#### **HEARING ON HB 164**

**Sponsor:** REP. ALAN OLSON, HD 8, Roundup

**Proponents:** Kathy Fabiano, Office of Public Instruction

**Bob Vogel, Montana School Boards Association**  
**Dave Puyear, Montana Rural Education Association**  
**Eric Feaver, Montana Education Association/Montana**  
**Federation of Teachers**

Opponents: None

Opening Statement by Sponsor:

**REP. ALAN OLSON** opened on HB 164. **REP. OLSON** informed the committee that HB 164 would repeal the 4% cap on voted levies. He explained the fiscal note would not have a state impact. He reported that levies would need to be decided at the local level.

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Proponents' Testimony:

**Kathy Fabiano, representing the Office of Public Instruction,** rose in support of HB 164. **Ms. Fabiano** offered written testimony, **EXHIBIT**(eds56a01).

**Bob Vogel, representing Montana School Boards Association,** apprized the committee that HB 164 would provide accountability at the local level.

**Dave Puyear, Montana Rural Education Association,** avowed support for HB 164, stating that local control and the flexibility to the local districts would be positive.

**Eric Feaver, Montana Education Association/Montana Federation of Teachers,** contended HB 164 would reform a portion of the current funding process. He reiterated the bill would not add additional costs to the state, while continuing to provide equalization.

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Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses: None

Closing by Sponsor:

**REP. ALAN OLSON** closed on HB 164, asserting the bill would provide voters of local districts the ability to fund their schools in the manner they deem appropriate.

HEARING ON HB 353

Sponsor: REP. NANCY FRITZ, HD 69, Missoula

Proponents: Rick Chiotti, Office of Public Instruction  
Mary Pittaway, Montana Dietetic Association,  
Missoula  
Dennis Davis, Bonner School, Bonner  
Bob Vogel, Montana School Boards Association  
Theresa Henry, Self, Missoula  
Amy Sullivan, Montana Dietetic Association  
Steve Yeakel, Montana Council for Maternal and  
Child Health  
Eric Feaver, Montana Education Association/Montana  
Federation of Teachers

Opponents: None

Opening Statement by Sponsor:

REP. NANCY FRITZ, explained that HB 353 would provide a one-time start-up fund to schools desiring to create school breakfast programs.

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Proponents' Testimony:

Rick Chiotti, representing the Office of Public Instruction, rose in support of HB 353. He provided written testimony, **EXHIBIT**(eds56a02).

Mary Pittaway, representing Montana Dietetic Association, avowed support of HB 353. She informed the committee that children that eat a good breakfast learn better, have better concentration, have better behavior and are healthier than those that do not eat breakfast.

Dennis Davis, Bonner School Superintendent, provided testimony in support for HB 353. Mr. Davis reported that one-third of students in his school partake of the school breakfast program at a cost of 50 cents per student. He referred to national statistics that affirm the fact that children perform better if they have eaten breakfast.

**Bob Vogel, Montana School Boards Association**, urged support for HB 353. **Mr. Vogel** reasoned that hungry children do not learn as well as they could.

**Theresa Henry, representing herself**, enlarged on previous testimony in her support of HB 353.

**Amy Sullivan, Montana Dietetic Association**, asserted strong support for HB 353. **Ms. Sullivan** testified the bill would put food into the stomachs of children, decreasing the chances for fraud. She reported that \$180,000 would be available, as a line item in HB 2, to help fund the program.

**Steve Yeakel, representing the Montana Council for Maternal and Child Health**, avowed support for HB 353. He adduced that parents across the state were not preparing their children for school.

**Eric Feaver, Montana Education Association/Montana Federation Association**, echoed support for HB 353.

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Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses:

**SEN. JOHN BOHLINGER** asked **Amy Sullivan** to clarify the number of students in the Billings schools that would be eligible for free and reduced breakfast. **Ms. Sullivan** clarified that several schools in Billings would have 45% of their students eligible for the breakfast program. **SEN. BOHLINGER** proclaimed hardy support for the passage of HB 353.

**SEN. JOHN COBB** asked for an explanation of the federal guidelines that would determine which students would receive free and reduced breakfast and lunch. **Mary Pittaway** narrated that income guidelines would determine eligibility for free and reduced meals.

**SEN. COBB** wondered if all students would be encouraged to become involved in the program. **Mary Pittaway** affirmed that all children arriving at school without breakfast should be involved in the program.

**SEN. COBB** questioned how one-time funding would allow the program to continue from year to year. **Ms. Pittaway** explained that

federal funding would be on-going. The money proposed in the bill would help 40 additional schools initiate a school breakfast program.

**SEN. MIKE SPRAGUE** wondered if younger grades would qualify for the program before middle or upper grades. **Mary Pittaway** responded that everyone would be included in the program.

**SEN. SPRAGUE** posed the same question to **Mary McAulay, School Services Director at the Office of Public Instruction**. **Ms. McAulay** reported that criteria would be established based on need.

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**SEN. SPRAGUE** asked if younger students would pose a greater need than older students. **Ms. McAulay** agreed that the age of the student could be a consideration, but final determination would rest on the needs of the local community.

**SEN. SPRAGUE** referred to the numbers that point to 50% of students being obese. He wondered if the school food programs would address the needs of the obese child. **Mary McAulay** explained the standards established by the United States Department of Agriculture.

**SEN. ED BUTCHER** wondered why a school that had a lunch program would require start up money to establish a breakfast program. **Ms. McAulay** narrated the money would be used for extra storage and salaries for additional staff.

**SEN. BUTCHER** argued that staffing costs would be on-going and require additional costs each year. **Mary McAulay** explained the food services program would be a reimbursement program, which would allow the program to generate revenue to pay for itself.

**SEN. BUTCHER** suggested this would be another unfunded mandate. He asked that his question be redirected to **Amy Sullivan**. **Ms. Sullivan** enlarged on the purpose behind the bill, indicating the bill would provide the funding for the "extra kit" needed to get the program started. She reaffirmed the program would fund itself, once it was started. The average start-up cost would average approximately \$4500.

**SEN. BUTCHER** questioned the statement that 66% of parents in Missoula did not feed their children breakfast. **Mary Piccaway** apprized **SEN. BUTCHER** that the study was conducted by the Montana

State University School of Nursing. The surveys were sent to all parents of third-grade students in Missoula.

**SEN. SPRAGUE** wondered if we confuse the need for ritalin vs. the need for food. **Ms. Piccaway** agreed with the comment.

**SEN. SPRAGUE** asked if there were studies that showed the relevancy between the need for ritalin and hypoglycemia. **Ms. Piccaway** cited her belief that undernourished children respond differently to stress than well fed children. She maintained that many behavior problems were remarkably and consistently reduced when children eat breakfast.

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Closing by Sponsor:

**REP. NANCY FRITZ** closed on HB 353. She offered additional testimony from **Shelly Meyer, RN, EXHIBIT(eds56a03)** and **Sami Butler, RN, EXHIBIT(eds56a04)**.

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HEARING ON HB 488

Sponsor: **REP. MERLIN WOLERY, HD 90, Rudyard**

Proponents: **Dave Puyear, Montana Rural Education Association**  
**Bob Vogel, Montana School Boards Association**  
**Eric Feaver, Montana Education Association/Montana Federation of Teachers**  
**Loran Frazier, School Administrators of Montana**  
**Kathy Fabiano, Office of Public Instruction**

Opponents: **None**

Opening Statement by Sponsor:

**REP. MERLIN WOLERY** stated that HB 488 would allow consolidated school districts to retain their basic entitlement for 6 years. One hundred percent of the entitlement would be retained for the first three years. The remainder would be reduced by 25% each year for the remaining three years. **REP. WOLERY** contended the bill would give schools incentive to consolidate.

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**Proponents' Testimony:**

**Dave Puyear, Montana Rural Education Association**, stood in support of voluntary consolidation. He reasoned the bill would encourage schools to move toward consolidation. He maintained the indirect costs of consolidation would be obvious to school boards and community members.

**Bob Vogel, Montana School Boards Association**, testified that consolidation would be one of the toughest issues a community or school board could face. He maintained the financial consequences would be less of an obstacle if school districts chose to consolidate.

**Eric Feaver, Montana Education Association/Montana Federation of Teachers**, instructed the committee that current law would allow schools to enjoy a monetary incentive by choosing to annex. HB 488 would allow the incentive to continue over a period of time. He surmised that property taxes could decrease due to consolidation.

**Loran Frazier, School Administrators of Montana**, testified in support of HB 488.

**Kathy Fabiano, Office of Public Instruction**, rose in support of HB 488. She explained the fiscal note attached to the bill.

**Opponents' Testimony:** None

**Informational Testimony:** None

**Questions from Committee Members and Responses:**

**SEN. ALVIN ELLIS** asked **Dave Puyear** to clarify whether a school could run a non-operating budget for three years after it consolidates. **Mr. Puyear** narrated that consolidation would allow the school district to maintain the entitlement money for three years. SB 488 would allow the school districts to hold the money for six years. **Mr. Puyear** asked that the question be redirected to **Kathy Fabiano**.

**Kathy Fabiano** clarified that a school would have three years to decide whether to reopen or to consolidate with an adjacent district.

**SEN. ELLIS** surmised a school could run a non-operating budget for three years while maintaining the school entitlement. **Kathy Fabiano** clarified that a school would not receive the basic entitlement if it were closed.

**SEN. ELLIS** guessed the other school would receive two basic entitlements. **Ms. Fabiano** disagreed, advising the committee that the other school would not receive the two entitlements until it consolidated with the school district that had closed. She explained that the closing district would pay tuition for their students to attend the neighboring district until they chose to consolidate.

**Kathy Fabiano** clarified when a school becomes non-operational it would no longer receive the basic entitlement. At the conclusion of three years, if they don't reopen, they must consolidate with a neighboring district. That neighboring district would receive only one basic entitlement. The district that closed would not receive the basic entitlement.

**SEN. ELLIS** adduced that a school would have to elect to consolidate in order to receive two basic entitlements. **Ms. Fabiano** agreed.

**SEN. DON RYAN** asked **Kathy Fabiano** to explain the basic entitlement for a K-12 district. **Ms. Fabiano** contended the K-12 district would receive both the elementary and high school entitlement. If the district had an accredited 7<sup>th</sup> and 8<sup>th</sup> grade, it would receive a pro-rated basic entitlement.

**SEN. RYAN** wondered if two small districts, consolidating with a larger district would receive three basic entitlements. **Ms. Fabiano** reiterated they would receive a basic entitlement for each district. If three districts were involved in the consolidation, they would receive three entitlements.

**SEN. BUTCHER** estimated a K-12 district that consolidated with another district would get \$250,000 in basic entitlement for three years. **Kathy Fabiano** indicated the basic entitlements would be funded by state and local taxes.

**SEN. BUTCHER** suggested the money would be used to build a gym.

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**Ms. Fabiano** advised **SEN. BUTCHER** that the school would have to educate the additional students, making it unlikely the money would be used to build a gym. **SEN. BUTCHER** insisted the additional money would be an extra "pot of gold".

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Closing by Sponsor:



**REP. WORLERY** closed on HB 488, stating the bill would encourage twenty-five school in the state of Montana to consolidate. He reminded the committee that the schools would receive the basic entitlement monies, regardless of whether they consolidate with another school.

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**HEARING ON HB 505**

**Sponsor:**           **REP. TOM DELL, HD 19, Billings**

**Proponents:**       **Dr. Richard Crofts, Commissioner of Higher Education**  
                              **Ken Woosley, Director of Student Relations,**  
                                      **Montana State University-Billings**  
                              **Kathy Carver, Montana State University**  
                              **Dustin Stewart, Associated Students of Montana**  
                                      **State University**  
                              **Terry Minow, Montana Education Association/Montana**  
                                      **Federation of Teachers**

**Opponents:**       None

**Opening Statement by Sponsor:**

**REP. TOM DELL** opened on HB 505. He avowed the bill would allow the use of the prior 3-year average enrollment to calculate reversions for funded resident enrollment growth in the Montana University System. He maintained the bill would provide the university system with a more efficient vehicle to fund higher education.

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**Proponents' Testimony:**

**Dr. Richard Crofts, Commissioner of Higher Education,** rose in support of HB 505. He explained that since 1995, the budget system had been based on projected enrollment. Prior to 1995, the budget of the university system had been based on historical averages and had lagged two years behind. **Dr. Crofts** reasoned that HB 505 would provide a buffer in case of a dramatic decline in enrollment.

**Ken Woosley, Director of University Relations at Montana State University-Billings,** avowed support of HB 505. **Director Woosley**

maintained HB 505 would give smaller colleges a tool to handle the peaks and valleys of the FTE enrollments. The bill would allow colleges some time to make educated and flexible decisions regarding budgets.

**Kathy Carver, representing Montana State University,** emphasized previous testimony in her support of HB 505.

**Dustin Stewart, representing the Associated Students of Montana State University,** echoed support for HB 505. He reminded the committee that the rising cost of tuition has made it difficult for students to attend college on a full-time basis. HB 505 would help the university system to adjust for the drop in enrollment.

**Terry Minow, Montana Education Association/Montana Federation of Teachers,** maintained HB 505 would provide funding stability for the university system.

**Opponents' Testimony:** None

**Informational Testimony:** None

**Questions from Committee Members and Responses:**

**SEN. COBB** asked the sponsor to explain the term "marginal funding", on line 14. The sponsor asked the question be redirected to **Dr. Crofts**. **Dr. Crofts** explained that "marginal funding" referred to the funding the university system would receive when the enrollment increases.

**SEN. COBB** wondered if the enrollment projections would be paid by the legislature. **Commissioner Crofts** responded the enrollment projection would be in HB 2.

***{Tape : 2; Side : A; Approx. Time Counter : 9 - 11}***

**Closing by Sponsor:**

**REP. DELL** closed on HB 505. He summarized the bill would provide a better budgeting mechanism for the university system. He justified the bill would allow the university units to better manage their budgets, enabling them to avoid major cuts to programs.

***{Tape : 2; Side : A; Approx. Time Counter : 11 - 15}***

**EXECUTIVE ACTION ON HB 353**

**Motion:** SEN. COBB moved that HB 353 BE CONCURRED IN.

**Discussion:**

SEN. JACK WELLS stated his opposition to HB 353. He argued that it was not the responsibility of the government to feed children. He justified that the passage of HB 353 would open the door for free dinners to be served at the schools.

**Vote:** SEN. COBB'S motion that HB 353 BE CONCURRED IN passed 13-1 with Wells voting no.

**EXECUTIVE ACTION ON HB 164**

**Motion/Vote:** SEN. COBB moved that HB 164 BE CONCURRED IN. Motion carried unanimously.

**EXECUTIVE ACTION ON HB 505**

**Motion:** SEN. BOHLINGER moved that HB 505 BE CONCURRED IN.

**Discussion:**

SEN. BUTCHER stated the bill was geared to deal with decreasing enrollment and questioned the consequences of an increasing enrollment. CHAIRMAN BILL GLASER explained that when the enrollment would increase the funding would be limited to money generated by the increase.

SEN. BOHLINGER believed the bill would greatly assist the budgeting woes caused by the drop in enrollment.

SEN. BUTCHER argued that enrollment had risen since 1996. SEN. COBB countered the bill would pertain to the projection of the entire university system, not one college.

**Vote:** SEN. BOHLINGER'S motion that HB 505 BE CONCURRED IN passed 13-1 with Ellis voting no.

*{Tape : 2; Side : A; Approx. Time Counter : 15 - 32}*

**EXECUTIVE ACTION ON HB 140**

**Motion:** SEN. COBB moved that HB 140 BE AMENDED (HB 014003.aem), **EXHIBIT** (eds56a05).

**Discussion:**

**Eddye McClure** contended the amendment would delete the wording, "newly employed", which would allow anyone employed to receive four years of loan repayment.

**SEN. WELLS** requested information on the impact of the fiscal note. He opposed the amendment, citing his belief that more teachers would take advantage of the loan repayment program, thus increasing the fiscal impact of the bill.

**SEN. DEBBIE SHEA** queried whether the sponsor agreed with the amendment. **Eddye McClure** reported there would be a funding preference for teachers living in certain geographic area. After that the rate would be prorated among the teachers requesting loan repayment.

**SEN. BUTCHER** questioned the increase cost of the amendment. **SEN. COBB** explained that the amount of money would remain the same. The funds would be divided among the number of teachers requesting repayment.

**Eric Burke, Montana Education Association/Montana Federation of Teachers**, instructed the committee that the Board of Public Education would maintain authority in the bill, as amended, to set the qualifications. The finances would be the final limit of how many teachers could be served by the bill. The Board of Public Education would have the discretion to set additional limits concerning the financial limits.

**SEN. JIM ELLIOT** reiterated that the bill would be construed narrowly and the Board of Public Education could narrow it further. **Eric Burke** agreed with the statement.

**SEN. BUTCHER** articulated the amount would depend on the funding from appropriations. He surmised the bill could pass without money attached. **Mr. Burke** advised that the Governor had the full appropriation, mentioned in the fiscal note, in her budget.

**Vote:** SEN. COBB'S motion that HB 140 BE AMENDED (HB014003.aem) passed 13-1 with Cobb voting no.

**Motion/Vote:** SEN. COBB moved that HB 140 BE AMENDED (HB014001.AEM). Motion carried unanimously.

**Motion:** SEN. COBB moved that HB 140 BE CONCURRED IN AS AMENDED.

**Discussion:**

SEN. BUTCHER reminded the committee that teachers that failed to repay student loans could lose their teaching certificate. He stated concerns regarding teachers that would receive some money for repayment and then default on the repayment of the entire loan.

**Vote:** SEN. COBB'S motion that HB 140 BE CONCURRED IN AS AMENDED passed 13-1 with Cobb voting no.

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**Discussion**

SEN. COBB informed the committee that he was preparing amendments for HB 500. He stated his desire to include 60 million dollars in the bill. He claimed he would talk to each member of the committee individually before the committee would take executive action on the bill.

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**ADJOURNMENT**

Adjournment: 5:05 P.M.

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SEN. BILL GLASER, Chairman

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LINDA ASHWORTH, Secretary

BG/LA

**EXHIBIT** (eds56aad)